

INFORMATION REPORT

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SUBJECT Conditions in Harbin

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1. The present population of Harbin is estimated at roughly about a million. Since the war, the number of Chinese inhabitants has steadily increased and the number of foreigners has steadily declined. The foreign population of approximately 25,000 has a majority of Soviet citizens, including about two thousand persons who arrived from the USSR in 1949, mostly for employment with Soviet trade agencies or the Chinese Changchun Railroad. Of individuals who accepted Soviet citizenship after the war there has been little repatriation to the USSR, and even in some cases young persons who requested repatriation have been refused. Soviet army officers who married Harbin Soviet citizens were not, as a rule, permitted to take their wives back to the USSR with them. A few instances are known of persons entering the USSR without permission; they are rumored to have been allowed to remain as ordinary citizens after several months' detention.
2. In another large ethnic group, the Poles, many took advantage of an offer of repatriation for all persons claiming Polish citizenship and desiring to return to the new Poland which was announced by a Polish consular representative who visited Harbin in September 1949. The Jewish group, which is also large, is attempting to secure visas for Israel, through a representative of the Israeli government in Tientsin.
3. A few Japanese still remain in Harbin as private citizens, many married to Russians or Chinese, and other retained by the Soviets or by the Chinese government as specialists. There are several Japanese doctors employed in Harbin hospitals or engaged in private practice. Movements of Japanese residents are controlled by a government-sponsored Japanese Residents' Association. Many of the Japanese wish to be repatriated but have not been allowed to leave. In addition to these private citizens, there are believed to be large numbers of Japanese serving with the Chinese Communist forces.
4. After the withdrawal of the Soviet army in 1946, foreign residents were concerned lest the Chinese turn against them in retaliation for the behavior of Soviet troops. Although the prompt entry of the Communists prevented any demonstration, some tension still exists between the Chinese and

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European communities. The possibility of future open clashes is being lessened by Soviet and Chinese propaganda praising the USSR and reminding the Chinese they should thank the Soviets for liberation.

5. Considerable friction exists between Soviet citizens from the USSR and local Soviets, primarily because of economic and social discrimination. Soviets from the USSR receive many special privileges from the Chinese government and are quartered on the edge of Harbin in special newly-constructed, barracks-like communal housing units; high ranking officials stay at the Hotel International. Moreover, USSR Soviets are paid an average of NEPC twenty million per month, while local Soviets' average salaries are about two million. Soviets from the USSR seldom venture into the city and almost never participate in activities of the Soviet colony or the Soviet Citizens' Association, and since technicians and lower-ranking employees are normally rotated every six months or every year, there is little possibility for development of permanent attachments. The status and behavior of their compatriots from the USSR has aroused so much resentment among local Soviets, particularly the younger men, that occasional attacks on USSR personnel have resulted, and complaints are wide-spread.
6. Almost all Harbin industrial enterprises have been expropriated by the Communist government. The only two enterprises in the city which employ over a thousand persons are the Churin Stores and the Chinese Changchun Railway *. A very few small factories and workshops continue to be privately operated, including several textile plants in Fuchiatien (126-39, 45-45) which produce locally consumed towels, thread, socks, etc. No new factories have been constructed since the war, and although rumors have been current that industries from Shanghai were to be moved up, none had actually arrived by January 1950.**
7. In the retail field, also, private trade is gradually being choked off because of taxation and shortage of merchandise. Pre-war stocks are practically exhausted, and store-owners have no capital to purchase new items.*** The only new stores being opened are cooperatives licensed by the government or commissionnaires. Cooperatives may have as many as 150 shareholders and are required by law to elect responsible officers, maintain government-audited accounts, observe price control regulations, and comply strictly with tax laws. In the Chinese cooperatives and those of the Chinese Changchun Railroad and the Churin Stores many Soviet-manufactured goods are offered for sale, but the prices are prohibitive for the average citizen. Commissionnaires are usually unemployed local Soviets, other foreigners, or Chinese who operate under government supervision and buy up or sell for a fixed commission every sort of ware.
8. Unemployed, both Chinese and local Soviet, are many, and there is no government provision for them. In order to ease the situation, the Communist authorities have been trying to persuade the unemployed to work in adjacent agricultural areas, where there is a labor shortage, but city-bred persons are reluctant to become farm laborers.
9. A few private banks still operating are Chinese. The principal bank, the government T'ung Pei (東北) Bank, acts as a bank of issue and handles all government financial transactions but will also accept private accounts. It issues and honors checks only in local currency. Foreign currencies may not be sold in checks but may be purchased at a specified government ex-

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change rate through a special division of the bank; a black market, however, still exists in this and in gold and jewels. The local legal currency is the Northeast People's Currency (NEPC), in denominations of 100, 500, 1,000, 5,000, 10,000, 50,000, 100,000, 500,000, and 1,000,000. It is valid only in the Northeast and must be exchanged upon entry into China proper at the frontier control station of Shanghai-kuan (119-44, 40-00), at the current government rate.

10. Housing is a problem, since the population is constantly increasing and there has been no new construction. Although rents, which are government controlled, are very low, it is customary to require a large sum as "key money"; the practice is illegal but continues in spite of all attempts to suppress it. Transient accommodations are likewise difficult, and many travelers plan to stay with friends. Chinese normally patronize the Modern and Orient Hotels; the International is reserved for visiting Soviet dignitaries from China or the USSR. Transient quarters are also available in private homes, but prices are very high; Soviet citizens from the USSR usually have quarters provided (see above) and rarely seek private lodgings.
11. Very few good restaurants are operating in Harbin. Iveriya Restaurant on Samanna Street is frequented by Soviet officials from the USSR, the Mars by Chinese and working-class Europeans. This place also operates a dance hall with Chinese, local Soviet, and Japanese girls; restaurants of similar type include the Kazbek on Kitaiskaya Street, the Li-Di on Kitaiskaya, and Edem and Samson on Bolshoi Prospekt, Novy Gorod. Average workers and office employees do not customarily eat in restaurants, since the government and all large organizations such as the railway and stores provide canteens for workers, serving meals at reasonable rates. These canteens are also open to all citizens of Harbin, not only company employees.
12. The only radio station in the city is the Chinese-language one; the majority of the Soviet residents listen to Radio Khabarovsk. Although no overt control is exercised over selection of programs, a certain restriction appears in that the Voice of American transmissions are usually jammed by the Soviets. Most of the numerous receiving sets in the city are of Japanese manufacture and inferior quality. Soviet sets are beginning to appear, but their prices are above the reach of the average purse.
13. Among foreign residents, the single largest religious congregation is the Russian Orthodox; after that come, in order of size, the Roman Catholic, the Hebrew, and the Protestant. Neither the Soviet occupation nor the subsequent Communist government limited religious observances, although the Communists do not encourage them or observe religious holidays, and employees taking time off from work for such reasons may be dismissed. More than half the foreign residents, particularly the predominantly Russian Orthodox local Soviet citizens, attend services regularly.

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** [] Comment. Plans for moving industry from Shanghai and other southern industrial centers to the interior and the Northeast have been discussed and urged by the Communist authorities since the fall of 1949, but action has been very slow in all areas. []

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*** [] Comment. This agrees with statements [] concerning the shift of Manchurian industrial and commercial controls from private to state hands.

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